



**United States Department of Justice  
United States Attorney's Office  
District of Minnesota**

**Frank J. Magill,  
Acting United States Attorney**

David Anderson, Public Affairs Specialist  
(612) 664-5684; cell: (612) 730-2251

# **News Release**

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## **Mazeppa woman pleads guilty to insurance fraud**

A 54-year-old Mazeppa woman pleaded guilty today in federal court to one count of insurance fraud in connection with embezzling approximately \$259,000 from her employer.

Wanda Jane Schafer entered her plea June 18 in St. Paul before United States District Court Judge Richard Kyle. Schafer was charged on June 6.

According to her plea agreement, Schafer became manager of the Gillford Mutual Fire Insurance Co., a township mutual fire insurance company in 2000 located in Lake City, and the acting agent for the Gillford Agency, a related insurance entity in February 2001. The two insurance entities either issued or sold property, auto, business, wind and fire policies.

From November 2002 to Oct. 12, 2006, Schafer willfully embezzled and misappropriated approximately \$259,000 of monies and premiums belonging to Gillford. The plea agreement also states that the embezzlement did not jeopardize the safety and soundness of the insurance companies.

Schafer faces a potential maximum penalty of 10 years in prison. Judge Kyle will determine Schafer's sentence at a future date. This case is the result of an investigation by the Minnesota Department of Commerce-Market Assurance Division and the U.S. Department of Housing and Urban Development, and is being prosecuted by Assistant U.S. Attorney James E. Lackner.